

House File 782 - Introduced

HOUSE FILE _____
BY SHOMSHOR

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act directing the director of revenue to negotiate reciprocal
2 income tax agreements with other states.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
4 TLSB 2765HH 82
5 mg/es/88

PAG LIN

1 1 Section 1. Section 422.8, subsection 5, Code 2007, is
1 2 amended by adding the following new unnumbered paragraph after
1 3 unnumbered paragraph 1:
1 4 NEW UNNUMBERED PARAGRAPH. The director shall enter into
1 5 negotiations with other states to establish reciprocal
1 6 agreements with the tax administration agencies of these
1 7 states to further tax administration and eliminate duplicate
1 8 withholding by exempting from Iowa taxation income earned from
1 9 personal services in Iowa by residents of another state, if
1 10 the other state provides a tax exemption for the same type of
1 11 income earned from personal services by Iowa residents in the
1 12 other state. The director shall annually report to the
1 13 general assembly on the states with which negotiations are
1 14 being carried out and the possibility of agreements being
1 15 reached.

EXPLANATION

1 16
1 17 This bill directs the director of revenue to enter into
1 18 negotiations with other states for the purpose of establishing
1 19 reciprocal agreements that would assist in tax administration
1 20 and exempt from taxation income earned from wages, salaries,
1 21 commissions, and tips in Iowa by residents of the other state
1 22 if a like kind exemption is provided to Iowa residents by that
1 23 state. At present, Illinois is the only state with which Iowa
1 24 has such an agreement.

1 25 The director is to report annually to the general assembly
1 26 on the negotiations that are taking place and the possibility
1 27 of agreements being entered into.

1 28 LSB 2765HH 82
1 29 mg:rj/es/88